



THE CITY OF SAN DIEGO

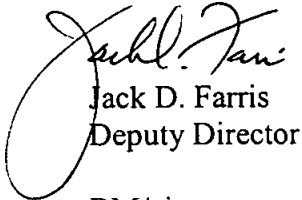
October 25, 2005

Mr. John Rotsart
San Diego Model Railroad Museum
1649 El Prado
San Diego, CA 92101

Dear Mr. Rotsart:

This is to acknowledge receipt of your letter dated September 23, 2005, exercising the option to extend the term of your lease, City Clerk Document RR-253884, until March 23, 2031. The City further acknowledges that you have satisfied the requirements of Section C.4.b., Option to Renew, of your lease.

Sincerely,


Jack D. Farris
Deputy Director

BM/cj


Mike Behan
Deputy Director
Park & Recreation Department

cc: Ted Medina, Park & Recreation Department Director

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Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199
Tel (619) 236-6020 Fax (619) 236-6706



RECEIVED
CITY OF SAN DIEGO

05 SEP 28 PM 2:20

SAN DIEGO MODEL RAILROAD MUSEUM IN BALBOA PARK

September 26, 2005

Jack D. Farris, Deputy Director
Real Estate Assets
City of San Diego
1200 Third Avenue, Suite 1700, MS 51A
San Diego, CA 92101-4199

Reference: a) Your letter of August 25, 2005 to John Rotsart, Executive Director, San Diego Model Railroad Museum (SDMRM)

b) Operating Agreement between the City of San Diego, Lessor, and San Diego Model Railroad Museum, Inc., Lessee (City Clerk Document RR-253884)

Dear Mr. Farris:

In response to reference a) SDMRM hereby exercises its option to renew the operating agreement that is reference b) in accordance with the terms of Section 4.b. (below):

"to renew this agreement for an additional twenty-five (25) years upon the expiration of the term of this agreement. Said renewal shall be made on the same terms, covenants, and conditions as expressed herein and subject to the same exceptions and reservations as herein contained."

Sincerely,

Steve Seidensticker, President
San Diego Model Railroad Museum

Cc: John Rotsart, Executive Director, SDMRM

Brett Maxfield - Re: Extension of the San Diego Model Railroad Museum Operating Agreement

From: "John Rotsart" <jrotsart@sdmrm.org>
To: "Brett Maxfield" <bmaxfield@sandiego.gov>
Date: 9/23/2005 4:04:36 PM
Subject: Re: Extension of the San Diego Model Railroad Museum Operating Agreement
CC: "Steve Seidensticker" <sseiden@cox.net>, "Anthony Ridenhour" <aridenhour@SDMRM.org>

September 23, 2005

Mr. Brett Maxfield
September 23, 2005

Mr. Brett Maxfield
City of San Diego
Real Estate Assets Department
1200 Third Avenue, Ste 1700
San Diego, CA 92101

Dear Brett:

In accordance with the terms of Section 4.b. Option to Renew in the Operating Agreement between the City of San Diego, Lessor, and San Diego Model Railroad Museum, Inc., Lessee.

SDMRM hereby exercises its option to "to renew this agreement for an additional twenty-five (25) years upon the expiration of the term of this agreement. Said renewal shall be made on the same terms, covenants, and conditions as expressed herein and subject to the same exceptions and reservations as herein contained."

The president and CEO of the museum will sign a copy of this letter, and mail it to you USPS.

Thank your for assistance in renewing this agreement.

Very truly yours,

John Rotsart, E. D.
San Diego Model Railroad Museum



THE CITY OF SAN DIEGO

August 25, 2005

CITY OF SAN DIEGO REAL ESTATE ASSETS DEPT.	
☐	DIRECTOR
☐	DEPUTY MANAGER
☒	FILE COPY
☐	CHRON COPY
☐	ORIGINATOR

John Rosart
San Diego Model Railroad Museum
P.O. Box 81825
San Diego, CA 92138

Reference: NOTICE OF OPTION PERIOD

Dear Mr. Rosart:

Your lease with the City, City Clerk Document RR-253884, for space in the Casa de Balboa building, will expire on March 23, 2006. Section C.4.b., Option to Renew, of the lease allows you to extend the lease for an additional term of 25 years under the same provisions as in the existing lease. To exercise the option, you must send written notice to this office between September 23, 2005, and December 22, 2005. If the option is properly exercised, the new expiration date of the lease will be March 23, 2031.

Sincerely,

Jack D. Farris
Deputy Director

PC/cb

cc: Will Griffith, Real Estate Assets Director
Ted Medina, Park & Recreation Director
Mike Behan, Park & Recreation Deputy Director
Kathleen Hasenauer, Balboa Park District Manager
Gary Stromberg, Balboa Park District Manager
Teresa Mulligan, Supervising Management Analyst

File: Lease - SD Model Railroad Museum

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Real Estate Assets

1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199
Tel (619) 236-6020 Fax (619) 236-6706



AGREEMENT

RECEIVED
APR 21 1981
PARK AND RECREATION
CENTRAL DIVISION

COPY

THIS AGREEMENT is made by THE CITY OF SAN DIEGO, a municipal corporation, herein called "City" and SAN DIEGO MODEL RAILROAD MUSEUM, a nonprofit California corporation, herein called "Corporation".

RECITALS

A. In Balboa Park in the City of San Diego, the City owns a building now known as the Electric Building, herein called "Building."

B. It is to the best interests of City that Corporation, being well qualified and competent, manage and operate a public museum known as the SAN DIEGO MODEL RAILROAD MUSEUM, herein called "Museum", in part of the Building in the manner herein set forth. The part of the Building which the Corporation would manage and operate as the Museum is described in Exhibit "A" attached hereto and made part hereof by this reference. Such part of the Building is herein called "part of the Building."

C. The Charter of the City of San Diego, Section 64 authorized City to execute agreements with respect to the use of such institutions.

NOW THEREFORE, in consideration of the recitals and the mutual obligations of the parties as herein expressed, City and Corporation agree as follows:

1. Corporation as Legal Entity.

Corporation shall have deposited with the City Manager by March 15 of each year duly certified copies of documents evidencing its existence as a legal entity. Without limiting the generality of the foregoing, such documents, by way of illustration, shall include the following:

DOCUMENT NO. RR-253884
FILED MAR 24 1981
OFFICE OF THE CITY CLERK
SAN DIEGO, CALIFORNIA

a. A copy of the Articles of Incorporation certified by the Secretary of State of the State of California. The Articles need only be filed once with City, but any amendments to the Articles shall be filed by Corporation with a similar certification by the Secretary of State.

b. A copy of the bylaws of Corporation certified to be correct by the secretary of Corporation. The bylaws need only be filed once except that copies of any amendments to them similarly certified shall be filed with City.

c. A certificate executed by the Secretary of State of the State of California certifying that the Corporation is in good standing and authorized to transact business within the State of California.

d. Certificates executed by the secretary of Corporation evidencing the names of all persons holding office in Corporation together with the terms of such office.

e. A copy of a resolution of the board of directors or other governing body of the Corporation certified by its secretary giving the authority to execute this agreement on behalf of Corporation.

f. Such other records, documents or papers as may be required by the City Manager to assure him that Corporation is a valid and viable organization with a continuing existence.

2. Occupancy.

a. City hereby grants to Corporation a permit for the use and occupancy of its part of the Building. During the terms of this agreement, City shall not grant to any individual, group or organization, other than Corporation, a permit for or a right to use and/or occupy its part of the Building, or any portion thereof, without prior written permission of Corporation.

b. Corporation shall use its part of the Building exclusively for the Museum and related purposes including research archives, provided that Corporation shall not exclude the general public or interfere with the public's right to the use and enjoyment of its part of the Building and its facilities; providing, however, that reasonable restrictions and regulations may be made in order to carry on Museum activities in an orderly and proper manner.

c. Corporation shall have the right to charge reasonable admission fees, however, at least one day per week shall be designated as a day when no fees for admission will be charged. Any schedule of admission fees will be subject to prior approval by the City Manager.

d. Corporation may operate a gift shop and sell articles to the general public, articles which primarily relate to subjects on display or activities conducted in the Museum, including, but not limited to books, periodicals and related artifacts. All profits realized by said gift shop shall be used only for Museum purposes.

e. During the entire term of this agreement, Corporation agrees to procure and maintain public liability insurance which names City as an additional insured with an insurance company satisfactory to City licensed to do business in California to protect against loss from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever, resulting directly or indirectly from any act or activities of Corporation, its sublessees or any person acting for Corporation or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from act or activities of Corporation or any person acting for Corporation or under its control or direction. Such public liability and property damage insurance shall also provide for and protect City against incurring any legal cost in defending claims for

alleged loss. Such public liability and property damage insurance shall be maintained in full force and effect during the entire term of this agreement in the amount of not less than \$1,000,000 COMBINED SINGLE LIMIT LIABILITY. Corporation agrees to submit a policy of said insurance to the City on or before the effective date of this agreement indicating full coverage of the contractual liability imposed by this agreement and stipulating that the insurance company shall not terminate, cancel or limit said policy in any manner without at least thirty days prior written notice thereof to City. If the operation under this agreement results in an increased or decreased risk in the opinion of the City Manager, then Corporation agrees that the minimum limits hereinabove designated shall be changed accordingly upon request by the City Manager. Corporation agrees that provisions of this paragraph as to maintenance if insurance shall not be construed as limiting in any way the extent to which the Corporation may be held responsible for the payment of damages to persons or property resulting from Corporation's activities, or the activities of any person or persons for which Corporation is otherwise responsible. Corporation agrees to increase the limits of liability when, in the opinion of City, the value of the improvements covered is increased, subject to the availability of such insurance at the increased limits. Corporation agrees, at its sole expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of reasonable fire and public liability insurance covering said premises, buildings and appurtenances.

f. Corporation shall perform janitorial services within its part of the Building, and its immediate approaches, in such manner as to keep its part of the Building in a safe, clean and sanitary condition at all times. City shall perform major building maintenance on permanent features, including but not being limited to exterior and interior walls, ceilings, roofs, floors, external structures, replacement of windows, electrical circuits, plumbing, fire-fighting and protection equipment, fire sprinkler systems, doors and

door closures, and such fixtures as heating equipment, elevators, etc., to the extent that provision has been made therefore in the schedules upon which the annual City appropriation for maintenance of public buildings is based. A detailed division of these services between City and Corporation is described in Exhibit "C" attached hereto and made a part hereof by this reference.

Janitorial and other maintenance of the lobby and restroom areas, common to all building tenants will be maintained jointly by all tenants under the direction of the Building Tenants Committee as outlined in Exhibit "D" and in accordance with the provisions of Exhibit "C" attached hereto.

Problems regarding building development and management will be referred to the Building Tenants Committee for resolution. Decisions of the Committee may be appealed to the City Manager, or his representative, whose decision is final.

Interior decoration and alterations for the accommodation of the Museum or its exhibits in the Corporation's part of the Building shall be the responsibility of Corporation, and shall meet National Fire, Building and Electrical code requirements.

g. Corporation agrees to pay for utilities within its part of the building and to share in the lobby and restroom areas common to all building tenants in accordance with procedures outlined in Exhibit "D". City will pay for utilities in its space and for exterior lighting.

h. Corporation may, at Corporation's own expense, make any major and/or minor permanent alteration or changes in its part of the Building or cause to be made, built or installed structures, exterior signs, fixtures, equipment, or other improvements in its part of the Building necessary or desirable for Corporation's use of its part of the Building and may alter and repair any such structures or other improvements; provided, however, that permanent and major alterations and changes shall not be made and such structures and other improvements shall not be built or installed except in accordance with plans and specifications previously submitted by Corporation to the City Manager and approved, in writing, by him.

Corporation will at all times save City free and harmless and indemnify it against all claims for labor or materials furnished for or in connection with any and all work, change or improvements in or upon its part of the Building pursuant to this paragraph.

i. The City reserves and shall always have the right to enter the Building for the purpose of viewing and ascertaining the condition of the same, or to protect its interests in the premises or to inspect the operations conducted thereon. In the event that such entry or inspection by City disclosed that said premises are not in a decent, safe, healthy and sanitary condition, the City shall have the right, after ten days written notice to Corporation to have any maintenance work done at the expense of Corporation. Corporation hereby agrees to pay promptly any and all costs incurred by City in having such necessary maintenance work done in order to keep said premises in a decent, safe, healthy and sanitary condition.

3. Operation in General.

a. Corporation shall be operating and open to the public within six months from date the City officially accepts the building from the contractor. The anticipated completion dates as set forth in Exhibit "B" are subject to reasonable delays caused by material and labor shortages, strikes or other labor disputes, governmental actions, war, riot, insurrection, rebellion, act of God, fire, flood, storm, earthquake, or any and all causes beyond the reasonable control of Corporation or its contractors.

b. All personnel provided for in the annual budget for operating the Museum shall be employed by and be the employees or volunteers of Corporation. They shall not be subject in any way to the control of City. In order to carry out wholesome and proper park and recreation purposes and consistent with the rights of the public in and to such areas, the Park and Recreation Director, with the approval of the City Manager, may prefer charges against any such employee for conduct detrimental to such purposes or rights. Such charges shall be considered by Corporation and a report of its action thereon shall be

made promptly to the City Manager. During the pendency of report by Corporation, the City Manager may demand the suspension of the charged employee and Corporation shall promptly suspend that employee until the matter is resolved to the satisfaction of the City Manager.

c. Corporation agrees to indemnify and save the City of San Diego and its agents and employees harmless from any and all liability claims, damages or injuries to any person, including injury to Corporation or any of Corporation's employees, representatives, agents, guests, licensees, invitees, patrons or of any other person whomsoever, and all expenses of investigating and defending against same: (a) arising from or alleged to have arisen from or connected with the use of or operations on the premises; (b) caused or claimed to be caused by the independent acts of Corporation, their agents or employees.

d. Corporation shall take affirmative action to improve employment of minorities and women by implementing an Affirmative Action Program consistent with the City's Affirmative Action Program, a copy of which is on file in the Office of the City Clerk and by this reference incorporated herein. Minorities are defined as Mexican-American, Black, Filipino, American Indian, and Asian/Oriental. The goal of this Affirmative Action Program shall be the attainment of the employment of minorities and women in all areas of employment in a total percentage of employment approximately equal to the total level of minority and women employment established by City for its Affirmative Action Program each year.

e. Corporation agrees not to discriminate in any manner against any person or persons on account of race, marital status, sex, religious creed, color, ancestry, national origin, physical handicap or medical condition in Corporation's use of the premises, including but not limited to, the providing of goods, services, facilities, privileges, advantages and accommodations, and the obtaining and holding of employment.

f. The Board of Directors shall:

1. Establish rules and regulations for the proper use, operation and

protection of its part of Building, and property housed herein.

2. Subject to the provisions of this agreement, designate a chief executive officer who shall have charge of the operation of the Museum.

3. Appoint a representative to the "Building Tenants Committee." This committee, consisting of a representative of each building tenant, shall provide for building development management in accordance with Exhibit "D".

g. The Corporation shall submit to the appropriate City representative the required reports, financial statements and other documents as requested in a timely and prompt manner.

4. Term of Agreement.

a. Term. The Term of this Agreement shall be twenty-five (25) years commencing on March 24, 1981, and ending on March 23, 2006.

b. Option to Renew. City hereby grants to Corporation an option to renew this agreement for an additional period of twenty-five (25) years upon the expiration of the term of this agreement. Said renewal shall be made on the same terms, covenants, and conditions as expressed herein and subject to the same exceptions and reservations as herein contained. This option shall be exercised only by written notice, setting forth Corporation's election to exercise said option. Said notice of Corporation's exercise of this option to renew shall be given no more than one hundred eighty (180) days and no less than ninety (90) days prior to the expiration of the term hereof.

c. The performance of the Corporation, in accordance with the terms of this agreement, will be subject to periodic review. Should the Corporation not be in compliance with conditions of this agreement and shall fail to cure such default within 90 days written notice from City specifying the default and the date on which its rights will be terminated, the City may immediately cancel and terminate this agreement.

This agreement and the occupation of the Building by Corporation does not obligate City to perform any work or repairs or to expend any monies whatsoever.

This agreement may be amended in writing by mutual written consent of this City and the Corporation as permitted by law.

IN WITNESS WHEREOF, this agreement is executed by the City of San Diego, acting by and through its City Manager, pursuant to Resolution No. R- 253884 authorizing such execution, and by Corporation.

Dated this 13th day of April, 1981.

THE CITY OF SAN DIEGO

By Laine M. Balch
ASSISTANT TO THE City Manager

SAN DIEGO MODEL RAILROAD MUSEUM
Corporation

By J. J. [Signature], PRESIDENT
19 MARCH 1981

I HEREBY APPROVE the form and legality of the foregoing agreement this

15 day of April, 1981.

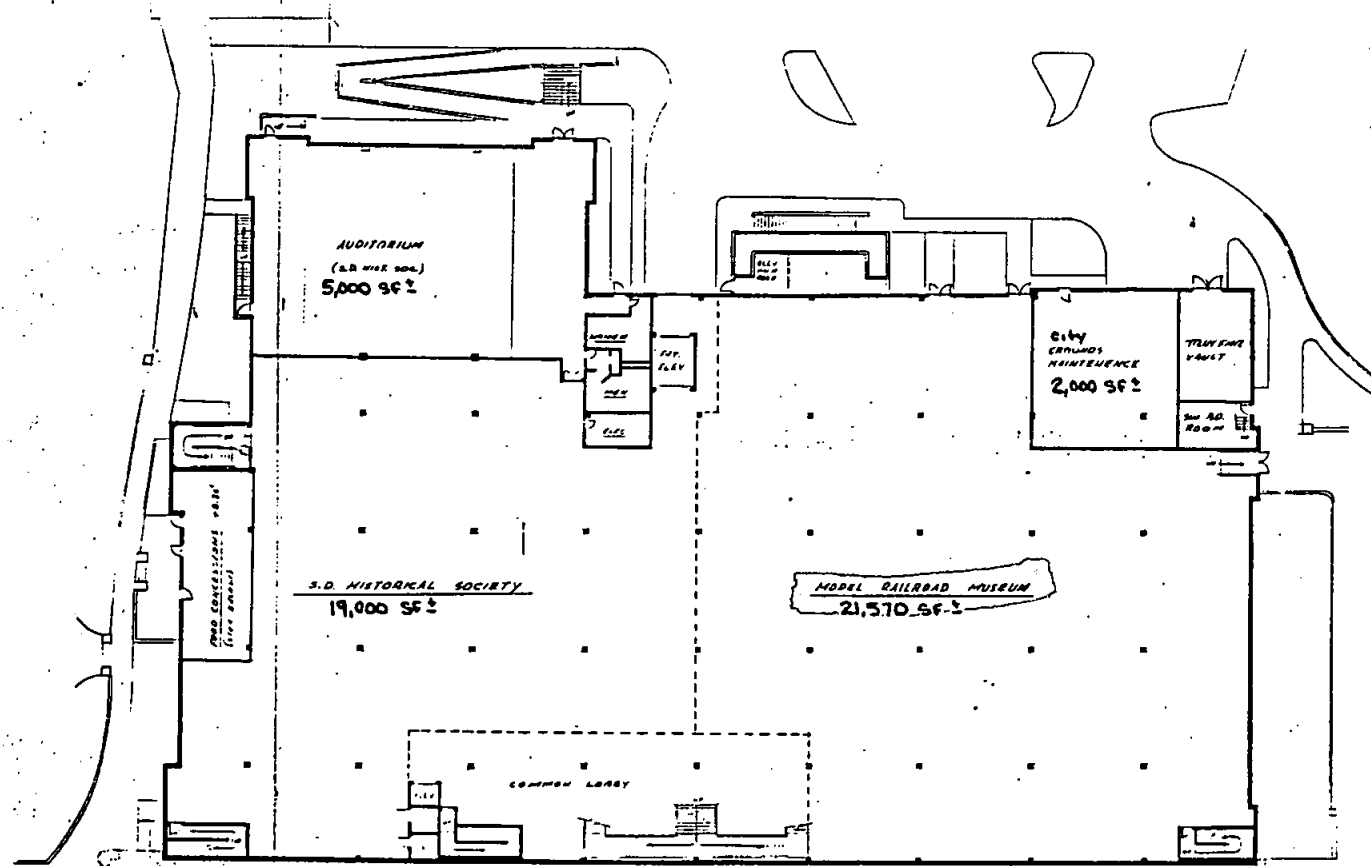
JOHN W. WITT

City Attorney

By [Signature]
Deputy

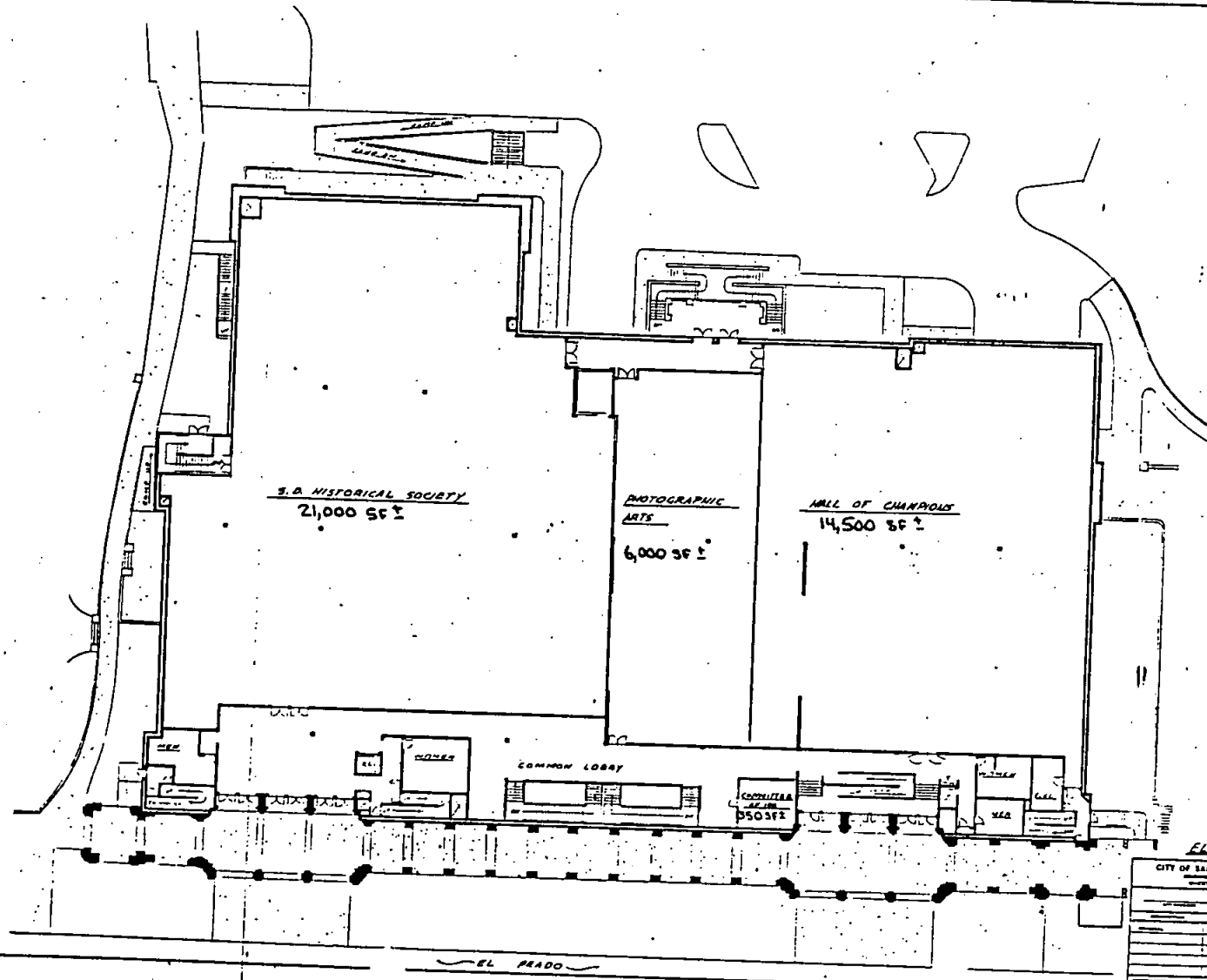
Exhibit "E" is incorporated herein.

R- 253884



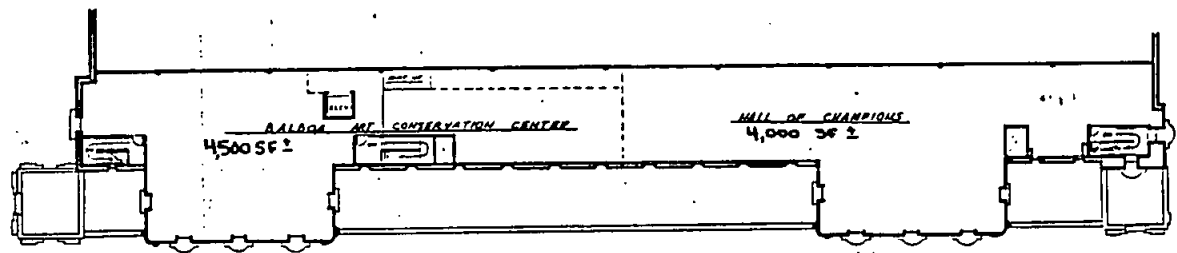
LOWER LEVEL

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EL PRADO LEVEL

CITY OF SAN DIEGO, CALIFORNIA	
RECORDING DEPARTMENT	
SHEET 2 OF 3	
DATE	NO. 117681
BY	
CHECKED BY	
APPROVED BY	
REVISIONS	
NO.	DESCRIPTION
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METAXING LEVEL	
CITY OF SAN DIEGO, CALIFORNIA	NO. 117401
PROJECT NO. 8-2	
DATE: 11/1/81	
BY: [Signature]	
CHECKED BY: [Signature]	
DATE: 11/1/81	
APPROVED BY: [Signature]	
DATE: 11/1/81	
INCHES TO: 1/8" = 1'-0"	

EXHIBIT "B"

SAN DIEGO MODEL RAILROAD MUSEUM, INC.

Completion Proposed Improvements Permanently Affixed to the Building:

<u>Date</u>		<u>Estimated Minimum Value:</u>
7-1-81	A wall dividing Corporation's area from that of the San Diego Historical Society that will be paid for by both tenants.	\$ 6,000.00
8-1-81	Lobby walls and doors that will form a public area contiguous to the north-east corner of Corporation's area.	8,000.00
9-1-81	Foyer and gift shop walls and doors with acoustic ceilings and suitable floor coverings in both the public lobby and the foyer.	15,000.00
6-1-82	Meeting room, library, office, workshops, toilet and service closets. Electronic security system within Corporation's area of the building.	25,000.00 \$ 54,000.00

Proposed Improvements Exclusively for the Benefit of the Public:

11-1-81	Security partitions and children's viewing platforms along the public perimeters of the four operating exhibits.	\$ 4,000.00
11-1-84	Complete additional security partitions, wheel chair ramps and children's viewing platforms around the expanded operating exhibits.	19,000.00
11-1-85	Complete elevated viewing platform and security system.	57,000.00 \$ 80,000.00
1-1-89	Public restrooms in the downstairs lobby.	\$ 40,000.00
Total Value of Improvements for the City and Public Benefit:		\$ 40,000.00 \$ 174,000.00

Proposed Improvements for the Benefit of Public and Corporation:*

11-1-81	Four model railroad exhibits at least two of which will be operating during regular business hours, and which will occupy approximately 40% of their assigned exhibit space.	\$ 35,000.00
11-1-82	Four operating model railroad exhibits all of which will be operating during regular business hours, and which will occupy 100% of their assigned exhibit space, and a railroad reference library open to qualified researchers.	35,000.00
11-1-85	Completion of the four operating exhibits.	135,000.00 \$ 205,000.00
Total Value of Museum Improvements:		\$ 205,000.00 \$ 379,000.00

*Source. "A Request for Exhibit Space in the New Electric Building for the San Diego Model Railroad Museum." Pp. 3, 7, 8 and 12

EXHIBIT "B"

SAN DIEGO MODEL RAILROAD MUSEUM, INC.

- (1) The City Manager may extend the completion date of proposed improvements, at his sole discretion, when delays are caused by situations beyond the control of the Corporation, for a period not to exceed 1 year without City Council approval.
- (2) To be built, or installed, in accordance with current building codes and regulations and as delineated on plans and specifications approved, in writing, by the City Manager.
- (3) The Corporation shall provide the City Manager with documentation of the actual cost of improvements or an estimated value thereof. The City Manager is the sole judge of estimated value and his decision is final.

EXHIBIT "C"

MAINTENANCE REPAIRS
OPERATING AGREEMENT PERMIT FACILITIES

<u>SYSTEM/AREA</u>	<u>CITY'S RESPONSIBILITIES</u>	<u>JOINT TENANTS' RESPONSIBILITIES</u>	<u>CORPORATION RESPONSIBILITIES</u>
Electrical/Lighting & Power	Switches, switch/outlet plates, outlets & fixture lenses in lobby areas only. Wiring, conduit, breakers, light fixtures (as a complete item) neon lighting. All exterior lighting including lamps. Electrical costs in its part of building and exterior lighting costs.	Replace lamps in lobby and common use areas and electrical costs in those areas.	Replace lamps, switches, switch outlet plates, outlets and fixtures lenses and electrical costs in its part of the building.
Emergency Electrical System	Repair parts and/or system wiring/conduit, etc. Periodic operational check-out.	Preventative maintenance in lobby & common use areas.	Preventative maintenance in its part of the building.
Heating & Ventilation, including Solar System, Pumps & Boilers	All except filter/strainer changes and daily/weekly operational checks.	Clean/replace filters, cleaning of solar panel glass, daily/weekly operational checks.	None.
Plumbing, Sewer, Water	Broken pipe, valves within system. Clean sewer inside & outside of building. Repair/maintenance of valves, faucets & trim at service points, i.e. angle stops flushometers, toilet valves & seats, lavatory faucets, traps, hosebibs, in public restrooms in lobby & common use areas.	Preventative maintenance in lobby & common use areas. Custodial care of lobby restrooms & common use areas.	All except broken pipe & valves within system & clearing sewer related to labs, sinks & restrooms added by Corporation in its part of the building.
Painting	All exterior, including touch up after vandalism. All lobby & common use areas, including touch up after vandalism.	Cleaning lobby & common use area walls.	All interior walls in its portion of the building.
Doors/Hardware	All but loose screws/bolts	Loose screws/bolts in lobby & common use areas.	Loose screws/bolts in its portion of building.

<u>SYSTEM/AREA</u>	<u>CITY'S RESPONSIBILITIES</u>	<u>JOINT TENANT'S RESPONSIBILITIES</u>	<u>CORPORATION RESPONSIBILITIES</u>
Windows/Glass in doors	Replace glass in doors. Replace glass in solar panels. Replace/repair windows & glass in windows.	Cleaning of glass in doors & windows in lobby & common use areas.	Replacement of window glass if responsible for breakage. All exhibit glass in its portion of building. Maintain security alarm system in its part of building.
Fire Suppression System	Maintain & repair City installed fire suppression system throughout building. Approve alternate systems installed by tenants.	Preventative maintenance to City system.	All, systems installed by Corporation.
Floor Covering	Repair/maintain tile/carpet etc. in lobby & common use areas.	Custodial care of tile, carpet, etc. in lobby & common use areas.	Repair/maintain tile/carpet etc. in its part of building.
Displays	Approve hook-up of electrical & water (Bldgs.) & structural (Engineering & Development)	Custodial care of displays in lobby and common use areas.	Install & operate displays in its part of building.
Elevators	All except routine inspection.	Routine inspection and reporting of problems.	None.
Pest Control	Termites, Bees	All other pests in common use areas.	All other pests in its part of building.

EXHIBIT "D"

MEMORANDUM OF AGREEMENT

AMONGST

THE TENANTS OF THE NEW ELECTRIC BUILDING

ARTICLE I: NAME

Section 1. This organization shall be known as the New Electric Building Tenants Committee.

ARTICLE II: PURPOSE

Section 1. To provide for the development and efficient management and operation of the new Electric Building in accordance with operating agreements.

Section 2. To delineate exclusive and non-exclusive use areas of responsibility.

Section 3. To effect or arrange for maintenance and inspection of non-exclusive use areas of the building and common mechanical, electrical, ventilating and plumbing systems in the building because they cross the boundaries of the various exclusive use areas.

Section 4. To establish the financial responsibilities of each tenant as regards:

Overall building utility costs

Non-exclusive use areas maintenance costs

Section 5. To arbitrate any disputes or differences between or among tenant organizations arising from the internal management of the building.

ARTICLE III: MEMBERSHIP

Section 1. The Tenants Committee shall consist of one representative from each tenant organization.

Section 2. A quorum consists of a majority of the member organizations, and each organization is vested with one vote.

ARTICLE IV: MEETINGS

Section 1. Members of the Tenants Committee will meet as required to review and act on such agenda as may be brought before it. Normally agenda items will be submitted at least with 7 days notice.

Section 2. Any tenant can schedule a meeting as necessary to resolve issues requiring joint policy decision. Agenda will be furnished each member organization seven days prior to meeting.

Section 3. Meeting chairmanships will generally rotate among organizations.

Section 4. Secretarial service shall be provided by the Meeting Chairman.

Section 5. Robert's Rules of Order shall govern the conduct of all meetings except as otherwise provided herein.

Section 6. A simple majority vote shall normally carry on agenda items.

ARTICLE V: AMENDMENTS

Section 1. This Memorandum of Agreement may be amended or revised by a majority vote of the members.

ARTICLE VI: AMENDMENTS

Section 1. This Memorandum shall be ratified by all tenant organizations. Ratification of this agreement by each organization signifies willingness of the organization to abide by the decisions of the Tenants Committee.

8 19 MAR '81

SAN DIEGO MODEL

RAILROAD MUSEUM

EXHIBIT "E"

ADDENDUM TO AGREEMENT

THIS ADDENDUM TO AGREEMENT is supplementary to and a part of the attached Agreement. Any inconsistencies between the Agreement and this Addendum shall be controlled by the specific provisions of this Addendum.

1. The term "Museum purposes" as contained in Paragraph 2.d. of the Agreement shall mean operating, maintenance and improvement costs incurred in connection with the operation of the museum premises as described in Exhibit "A". No profits from the operation of the gift shop shall be used for other purposes than as described above.

2. A provision is added at the end of Paragraph 2.e. to read as follows:

Corporation understands and agrees that City as of the date of execution of this Agreement carries a blanket fire insurance policy covering all of the City-owned belongings. To the extent such policy may not cover the improvements and property of Corporation, Corporation may, at its sole cost and expense, provide additional insurance to cover such property. City may, at its sole option, from time to time increase or decrease fire insurance coverage on City buildings including the building which is the subject of this Agreement.

3. Paragraph 3.b. is deleted from the Agreement and replaced with the following:

All personnel provided for operating the museum shall be employed by and be the employees or volunteers of Corporation and shall not be the agents or employees of City. Such personnel shall not be subject to the control of City.

4. During the entire term and any extension of the Agreement, the area occupied by Corporation shall be used solely and exclusively for public museum purposes with the majority of the museum area to be open and available to the public during reasonable hours. Corporation shall keep the museum facilities open to the public during regular operating hours approved by the City Manager at least five (5) days per week including Saturdays and Sundays.

5. Upon the expiration of earlier termination of this Agreement, Corporation shall return the portion of the building described in Exhibit "A" to City in good and clean condition, reasonable wear and tear accepted. All fixtures and personal property may be removed by Corporation upon the expiration or earlier termination except that no improvements permanently affixed to the building may be removed but shall be the property of City and all damages which may result from removal of other fixtures shall be repaired by and be the responsibility of Corporation.

6. Anything to the contrary herein notwithstanding, City shall not be obligated to budget funds for the operation and maintenance of the building or any portion thereof and the provisions of this Agreement with regard to construction, maintenance and operation of the building shall be subject to the budgeting and availability of funds for such purposes by the City Council in its sole discretion. Furthermore, in the event City does not budget and authorize funds sufficient

to accomplish the provisions contained in the Agreement, Corporation may, at its option, terminate this Agreement by giving City ninety (90) days prior written notice of intent to so terminate. City shall have no liability whatsoever for any damages incurred by Corporation as a result of City's failure to budget funds necessary to maintain and operate the Building and Corporation's sole and exclusive remedy in the event of failure by City to perform under any of the provisions of this Agreement shall be to terminate this Agreement as specified above. The City will, however, pay for utilities in its space and for exterior lighting in accordance with Paragraph 2.e.

7. Failure by Corporation to construct the improvements as and when specified in Exhibit "B" or failure by Corporation to operate and maintain the public museum as specified herein at all times during the term of this Agreement shall constitute material defaults by Corporation for which this Agreement may be terminated by City in accordance with Paragraph 4.c.

8. Corporation agrees to file with the City, prior to commencement of any construction performed upon the premises, a faithful performance bond in the amount of 100% of the construction costs of the work to be performed. Said bond may be in cash or may be a corporate surety bond satisfactory to City, or a combination of cash and bond. Said bond shall insure that the construction commenced by Corporation shall be completed in accordance with approved plans. The bond will be filed with the City. The City Manager may, for good cause, waive this bond requirement upon a satisfactory showing by Corporation that the total funds needed for construction are available and set aside for the construction.

9. In the event the City, during the initial 10 year term of the Agreement, does not budget and provide funds adequately to fulfill the City required maintenance of the building, and as a result Corporation terminates this Agreement, the City agrees to use good faith efforts to lease Corporation portion of the Electric Building to a new user for an amount reflecting Corporations expenditures for permanent improvements and all amounts received by the City, reflecting the value of such improvements, will be reimbursed to the Corporation until, in the City Council's opinion, adequate reimbursement has been made.

RECEIVED *Park & Rec*
39
APR 24 1981

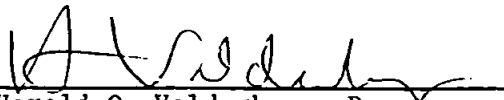
RESOLUTION NO. R- **253884** PARK AND RECREATION (R-81-1741)
CENTRAL DIVISION (REV.)
Adopted on MAR 24 1981

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

That the City Manager be and he is hereby authorized and empowered to execute, for and on behalf of said City, an Agreement between City and SAN DIEGO MODEL RAILROAD MUSEUM, a nonprofit California corporation, for the use and occupancy of a portion of the ELECTRIC BUILDING in Balboa Park for museum purposes, which Agreement has a term of 25 years with an option vested in the user to renew the Agreement for an additional 25 year term, with consideration to the City being the construction of interior permanent public improvements and the maintenance and operation of museum exhibits to be open to the public, under the terms and conditions set forth in that Agreement on file in the office of the City Clerk as Document No. RR- **253884** .

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized and directed to approve a completion date for the initial improvements to be made by Corporation, which completion date shall be six (6) months following the date of execution of the Agreement, six (6) months after the Electric Building basic construction is accepted by The City of San Diego, or December 31, 1981, whichever date or event occurs last.

APPROVED: John W. Witt, City Attorney

By 
Harold O. Valderhaug, Deputy

HOV:ps:274

~~3/18/81~~ Revised 3/25/81

Or. Dept.: Pk&Rec.

Passed and adopted by the Council of The City of San Diego
on March 24, 1981, by the following vote:

YEAS: Mitchell, Cleator, Golding, Williams, Schnaubelt, Gotch, Murphv,
Killea, Wilson.

NAYS: None.

NOT PRESENT: None.

AUTHENTICATED BY:

PETE WILSON
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By ELLEN BOVARD, Deputy.

I HEREBY CERTIFY that the above and foregoing is a full,
true and correct copy of RESOLUTION NO. R-253884
passed and adopted by the Council of The City of San Diego,
California, on MAR 24 1981.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(SEAL)

By Ellen Bovard, Deputy.